

MICHIGAN STATE TRANSPORTATION COMMISSION

PUBLIC MEETING

April 18, 2019

Aeronautics Administration Building, Lansing, Michigan

MEETING MINUTES

Members Present: Todd A. Wyett, STC Chair
Michael D. Hayes, STC Vice Chair
George K. Heartwell, STC Commissioner
Charles F. Moser, STC Commissioner
Chris J. Yatooma, STC Commissioner

Members Absent: Helen Zeerip, STC Commissioner

Also Present: Director Ajegba, Michigan Department of Transportation
ReChelle Benson, Director Assistant Analyst, MDOT
Michael Dittenber, Attorney General Office, Transportation Division
Troy Hagon, Commission Advisor
Carol Rademacher, MDOT Contract Services Division
Brad Wieferich, Director, MDOT Bureau of Development
Jason Gutting, Engineer, MDOT Construction Field Services Division
Kim Avery, MDOT Metro Region Engineer
Jack Cotter, Commission Auditor, Office of Commission Audits
ShuKeyna Thurman, Executive Assistant, Office of Commission Audits
About 15-20 people were in the audience.

I. WELCOME

Chair Wyett called the meeting to order at 10:00 a.m.

• *Director's Report*

In his first report at the April 18 State Transportation Committee (STC) meeting in Royal Oak, Director Paul C. Ajegba presented his four-point vision for MDOT that focuses on innovation, transparency, efficiency, and strengthening our partnerships. Ajegba said that if we ask the public for more money then we must continue to be innovative with our projects, pointing to the I-75 modernization project, the US-131 movable barrier, and the US-23 Flex Route. As part of Gov. Gretchen Whitmer's initiative, Ajegba called on being more transparent with projects to help educate the public, providing an example of the I-94 project in Jackson County that has a website with pictures, charts, and other information. The director discussed the Pleasant Valley Road bridge over I-96, the University Drive diverging diamond interchange (DDI) in Metro Region, and the Cascade Road DDI in Grand Region as examples of efficiency. He called on strengthening partnerships with groups like AASHTO, the Legislature, contractors, consultants, and motorists. Wrapping up his report, the director presented the governor's "Road to Opportunity" [plan](#) for raising revenue to repair the roads. Chair Todd Wyett praised the presentation by saying, "Thank you for an outstanding director's report."

- ***Metro Region Engineer Introduction – Kim Avery***

Chair Wyett introduced Ms. Avery as the new Metro Region Engineer. Ms. Avery thanked everyone for the invitation and stated that she was happy to be back in the Metro Region.

II. **COMMISSION BUSINESS**

- ***Minutes of January 17, 2019, Commission Meeting (motion required)***

Chair Wyett requested a motion regarding approval of the minutes for the last State Transportation Commission meeting. Pending a change to the second page to edit Commissioner Hayes name in the report, Commissioner Hayes made a motion to approve and Commissioner Moser supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Office of Commission Audits (OCA) Update – Jack Cotter***

Mr. Cotter gave a brief update on a few things of the external audit area. Mr. Cotter explained that OCA is not an approval entity for MDOT. OCA advises on things such as, accepting cost proposals or not, whether contracts should have added provisions to protect MDOT, processes/procedures at MDOT.

Mr. Cotter mentioned that a big challenge MDOT is facing is knowledge management. It's an aging workforce with a lot of information in a lot of very smart individuals' brains; who are going to eventually depart from MDOT. OCA is working on a process to try and keep that information within MDOT. Mr. Cotter has met with a knowledge guru of MDOT and he's going to test out a system to help map out a process to document processes, procedures, and the controls of how things are done to help not reinvent the wheel.

No motion required.

III. **OVERSIGHT**

- ***Exhibit A: Contract Agreements – Carol Rademacher***

Ms. Rademacher presented information on 25 agreements. Pending any questions, Ms. Rademacher asked for approval of Exhibit A.

Chair Wyett requested a motion regarding approval of Exhibit A. Commissioner Moser made a motion to approve and Commissioner Hayes supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit A-1: Bid Letting Pre-Approvals – Carol Rademacher***

Ms. Rademacher presented information about Letting Statistics and Exhibit A-1. Exhibit A-1 listed 28 constructions projects all over \$500,000. Pending any questions, Ms. Rademacher asked for approval of Exhibit A-1.

Chair Wyett requested a motion regarding approval of Exhibit A-1. Commissioner Heartwell made a motion to approve and Commissioner Moser supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit A-2: Letting Exceptions – Brad Wieferich***

Mr. Wieferich provided information on two projects that were over the engineer's estimate or had only one bidder. Justification memos were provided also for these projects where/as the low bid exceeded the engineer's estimate by more than ten percent; the Office of Commission Audits has reviewed. Pending any questions, Mr. Wieferich asked for approval of Exhibit A-2.

Chair Wyett requested a motion regarding approval of Exhibit A-2. Commissioner Heartwell made a motion to approve and Commissioner Moser supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit A-3: Information for the Commission – Carol Rademacher***

Ms. Rademacher provided information on two projects in which the bid was under five hundred thousand dollars (\$500,000) and has less than two bidders, or has a low bid rejection, or has other bid issues. The contracts for these projects will, at the Director's discretion, be processed and awarded to the low bidder.

No motion required.

- ***Exhibit B: Construction Contracts – Jason Gutting***

Mr. Gutting presented information about Exhibit B, which included cost comparison information about contracts that were recently finalized.

- MDOT Projects for January, February, and March
 - 110 projects totaling approximately \$468 million were finalized.
 - 7 projects were more than 10 percent over the original contract amount
 - 78 projects came in under original contract amount
- Final monthly contract costs were respectively -0.30, -0.81, and -2.06 when compared to their original contract amount.
- Fiscal year to date is averaging -0.31 percent under original contract amount.
- Local Agency Projects for January, February, and March
 - 119 projects totaling approximately \$104 million were finalized.
 - 11 projects were more than 10 percent over the original contract amount
 - 66 projects came in under original contract amount

No motion required.

- ***Exhibit C: Six-month Financial Audit Follow-up Report – Jack Cotter***

Mr. Cotter reported that there was one unresolved contract where more than 120 days have passed. Pending any questions, Mr. Cotter asked for approval of exhibit C.

Chair Wyett requested a motion regarding approval of Exhibit C. Commissioner Hayes made a motion to approve and Commissioner Heartwell supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

IV. **INFORMATIONAL REPORTS**

- *Director's Agenda, March 28, 2019 – Carol Rademacher*
- *State Administrative Board Agenda, April 9, 2019 – Carol Rademacher*

The Director's Agenda covers memos of understanding with no dollar amounts, revenue agreements, and small dollar amount agreements. The State Administrative Board (SAB) Agenda covers service contracts in excess of \$250,000 and construction contracts in excess of \$500,000. Some items on the SAB agenda, primarily in the area of construction contracts, have previously been submitted to and approved by STC. These two documents are included in the meeting packet, which is posted on the Commission website, in order to inform the public about all types of MDOT bidding activity. **No motion required.**

V. **PUBLIC COMMENT**

City of Royal Oak Commissioner Pat Paruch greeted and welcomed everyone to the City of Royal Oak. Ms. Paruch informed every one of the current construction taking place within Royal Oak, including the building of the new city hall and police station behind the current city hall, in which the STC meeting was being held. Ms. Paruch explained that the current city hall will be demolished and turned into a public park in the middle of downtown.

Ms. Paruch explained that the Royal Oak Commission deals with similar types of issues, as the STC, regarding fiscal issues and funding issues.

Commissioner Heartwell praised the City of Royal Oak and stated that whenever he's in town he's always impressed with all the work that's been done over the last 10-20 years with the city.

VI. **ADJOURNMENT**

With no further business being before the Commission, Chair Wyett declared the meeting adjourned at 10:52 a.m.

VII. **NEXT MEETING**

The next full meeting will be held Thursday, July 18, 2019, Lansing, MI.

Troy Hagon
Commission Advisor